United Nations E/ICEF/2004/AB/L.3

Economic and Social Council

Distr.: Limited
25 May 2004

Original: English

For information

United Nations Children's Fund
Executive Board
Annual session 2004
7-11 June 2004
Item 9 of the provisional agenda*

Timing of the approval of the UNICEF biennial support budget

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report entitled "Timing of the approval of the UNICEF biennial support budget" (E/ICEF/2004/AB/L.2). During its consideration of the report, the Committee met with the Deputy Executive Director and other representatives of the Executive Director.

2. The report of the Executive Director was prepared in response to Executive Board decision 2003/17, in which the Board requested the Executive Director to explore options for the timing of the approval of the biennial support budget in the context of one of the existing regular Board sessions and to report to the Board on this issue during the annual session of 2004.

3. In paragraphs 7-9 of the report, possible timelines options for the submission of the biennial budget to the Executive Board are presented, taking into account that at its annual session in June, the Executive Board reviews draft country programmes and approves the aggregate totals of estimated regular resources and other resources in the programme budget. Because the UNICEF secretariat would like to benefit from the comments by the Board members made at the annual session, the Executive Director believes that there is not sufficient time to review the management plan and biennial budget for submission to the second regular session in September. Under the current timetable of the integrated programme and budget planning and approval process (see E/ICEF/2004/AB/L.2, annex), UNICEF aligns support budget resources with approved programmes, taking into account the views

* E/ICEF/2004/8.

04-36563 (E) 020604

of the Board during its annual session. The review includes decentralized reviews of the country budgets by regional offices and a global review of regional and headquarters offices' budget proposals.

4. Two options that meet the requirement of the principle that has been a cornerstone in the efforts of UNICEF to reform its budgetary process, i.e., that programme plans should drive the support budget, are discussed below. Under the current integrated programme and budget planning, whenever new country programme plans are proposed, or existing programme plans are adjusted in the course of a mid-term review, a country programme management plan must be formulated to ensure that the management structure supports the country programme (E/ICEF/2004/AB/L.2, para. 3 (a)).

5. The first option would be the submission of the biennial budget to the first regular session of the Executive Board in January of the first year of the biennium. UNICEF believes that this option would allow sufficient development and articulation of the medium-term strategic plan (MTSP) and approval of the draft country programme documents by the Executive Board at the annual session before the management plan and the biennial budget are finalized. Implementation of this option would require that an interim budget allocation should be approved by the Executive Board at the second regular session to cover the one-month support costs for January (E/ICEF/2004/AB/L.2, para. 8).

6. The second option would be the submission of the biennial budget to the extraordinary budget session of the Executive Board in December of the year preceding the new biennium. This option also allows sufficient time for articulation of the MTSP, preparation of budgets, and approval of draft country programme documents and review of budget proposals. In addition, the option would permit the review and approval of the biennial budget before the financial period starts, not in January, when the period has already begun. However, UNICEF believes that there might not be sufficient time for informal consultations if the meeting of the Executive Board in December coincides with the meetings of the General Assembly (E/ICEF/2004/AB/L.2, para. 9).

7. In paragraph 11 of her report, the Executive Director recommends that the Board decide that the biennial budget be reviewed at the first regular session in January of the first year of the new biennium. Furthermore, the Executive Director recommends that at the second regular session in September of the year preceding the new biennium, the Executive Board should approve an advance allocation for spending for the month of January, based upon the previous year's expenditure in January.

8. The Advisory Committee recalls its views as indicated in paragraph 6 of its report E/ICEF/2000/AB/L.4 of 5 April 2000 on the timing of the submission of the support budget to the Executive Board. The Committee indicated that although it had concurred with the change from June to October of the submission of the budget to the Committee in response to the new integrated budget process, as outlined in document E/ICEF/2000/AB/L.3, paras. 9-15, in the opinion of the Committee, the most appropriate time to discuss the budget would be before the financial period starts, not in January, when the period has already begun. The Committee reiterates its view that the review of the support budget should start before the beginning of UNICEF's financial period; moreover, the Committee is not convinced that holding

the meeting in December would reduce the time available for informal consultations.

9. The Committee notes that the timeline schedule presented in the annex to E/ICEF/2004/AB/L.2 for the integrated programme and budget planning and approval process has built-in flexibility to adjust the length of time needed for some of the steps. For example, if needed, the Committee would review the UNICEF budget at the start of its session in September rather than October of the year before the beginning of the biennium, and the informal briefing with Executive Board members on the budget proposals could be conducted in November, prior to the meeting of the Executive Board in December.